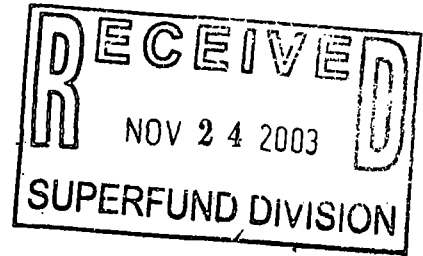


KOA SPEER ELECTRONICS, INC.

October 30 2003



United States Environmental Protection Agency
Region 5
77 West Jackson Blvd.
Chicago, IL 60604-3590

Attention: Mr. Thomas Nash (Mail Drop C-14J)
Associate Regional Counsel

Re: Chemical Recovery Systems Superfund Site
in Elyria, Ohio De Minimis Settlements



929218

Dear Mr. Nash:

It was a pleasure speaking with you today and I really appreciate your input and the expertise you shared with me to help clarify KOA Speer's situation concerning the above referenced matter.

As you requested, I have enclosed a copy of the Asset Acquisition Agreement, as well as the Assignment and Bill of Sale for your records.

I request that KOA Speer Electronics, Inc. be included in the settlement as a de minimis party so that we can get this matter resolved as soon as possible. As you indicated during our telephone conversation, I will await further instructions from your office.

Again, should you have further questions or require additional information, I can be reached at (814) 362-5536, ext. 239, fax number (814) 362-6449 or by e-mail at tconklin@koaspeer.com.

Thank you in advance for your attention to this matter. I remain

Sincerely,

A handwritten signature in cursive script that reads "Thomas W. Conklin".

Thomas W. Conklin
Comptroller
KOA Speer Electronics, Inc.

Enclosures (1) Asset Acquisition Agreement; and
(2) Assignment and Bill of Sale

ASSET ACQUISITION AGREEMENT

THIS AGREEMENT, made as of this 31st day of March, 1980, by and between AIRCO, INC. ("Seller"), a Delaware corporation, having its principal office in Montvale, New Jersey, and KOA SPEER ELECTRONICS, INC. ("Buyer"), a Pennsylvania corporation, having its principal office in Bradford, Pennsylvania.

W I T N E S S E T H :

WHEREAS, Seller owns certain assets, as described in detail hereinafter, constituting the entire domestic resistor manufacturing and distribution business of Seller's Speer Electronics Division (which business is hereinafter referred to as the "Resistor Operations"); and

WHEREAS, Buyer desires to purchase from Seller and Seller desires to sell to Buyer, on the terms and subject to the conditions of this Agreement, the Resistor Operations;

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants, agreements, representations and warranties set forth herein, intending to be legally bound, agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1. Definitions. As used in this Agreement, the following terms shall have the meanings indicated:

(a) "Assets" shall mean all the assets, properties, goodwill and business of the Resistor Operations, whether tangible or intangible, existing as of the date hereof and described in Exhibit A attached hereto. Exhibit A attached hereto also describes those assets of the Seller's Electronics Division which are not being sold to Buyer hereunder.

(b) "Financial Statement" shall mean the unaudited balance sheet as of January 31, 1980 prepared by Seller with respect to the Resistor Operations, copy of which is attached as Exhibit B.

(c) "Inventory" shall mean all the inventory of Seller of raw material, work in process and finished products with respect to the Resistor Operations.

(d) "Agreement" means this agreement for the purchase of certain assets between Seller and Buyer, dated as of March 31, 1980, together with all exhibits attached hereto.

(e) "Effective Date" shall mean the close of business on March 31, 1980.

Section 1.2. Construction. Words and phrases denoting the singular number shall include the plural and vice versa.

ARTICLE II
PURCHASE AND SALE OF ASSETS

Section 2.1. Agreement to Purchase. Seller hereby sells, transfers, conveys and delivers to Buyer, and Buyer hereby purchases, accepts and acknowledges receipt of all the assets described in Exhibit A.

Section 2.2. Liabilities of Seller.

(a) Except as otherwise expressly provided in this Agreement, Buyer agrees to assume, pay, perform and carry out on or before due, to the extent not paid, performed or carried out prior to the Effective Date, all liabilities and obligations of Seller that relate to the Resistor Operations, whether or not the same arose on, prior to or after the Effective Date. Without limiting the generality of the foregoing assumption, Buyer agrees (i) to perform and discharge the obligations arising out of any product warranty of Seller made in connection with the sale of products of the Resistor Operations, it being understood that Buyer shall not be responsible for any liability arising out of physical injury or property damage for which

Seller is, or should have been, insured in connection with products of the Resistor Operations sold by Seller on or prior to the Effective Date; (ii) to assume and pay when due the payables owing by the Resistor Operations to Airco Singapore Pte., Ltd., it being specifically acknowledged by Buyer that Buyer will promptly pay when due those certain payables identified or referred to on Exhibit C, all of which payables on Exhibit C shall in any event be paid within the ninety (90) day period commencing with the Effective Date; and (iii) to assume and perform the obligations of Seller described in Section 2.2(b) below.

(b) Subject to the consent of any third party thereto, Seller will assign to Buyer all of Seller's interest as of the Effective Date in all contracts, understandings and agreements relating to the Resistor Operations, including all agreements with dealers providing for the resale of products sold by the Resistor Operations and the presently existing Collective Bargaining Agreement and other agreements between Seller and the International Union of Electrical, Radio and Machine Workers, AFL-CIO-CLC, on behalf of Local Nos. 603 and 604. Buyer will assume and perform all of Seller's obligations arising out of such contracts, understandings and agreements.

Section 2.3. Sale of Other Assets.

(a) Seller agrees that Buyer (i) may continue to use, for a year commencing with the Effective Date, packaging

materials in use with respect to the Resistor Operations; and (ii) may sell, to completion, in the ordinary course of its business any items of Inventory in packages bearing Seller's name or trademarks.

(b) Seller agrees that after the Effective Date neither it nor any company it controls or by which it is controlled, either directly or indirectly, shall make any use of the name or mark "Speer", "Speer Electronics", "Speer Resistor" or any similar name or mark for a period of ten (10) years from the Effective Date in connection with the manufacture or sale of resistors.

(c) Seller agrees that for a period of two years from the Effective Date, Buyer may use a phrase comparable to "formerly the Airco Speer Electronics Division of Airco, Inc." on information issued by Buyer; and that Buyer may use either as its corporate name or as the name of the business of the Resistor Operations the name and mark "Speer", "Speer Electronics", "Speer Resistor" or any similar name or mark for a period of three (3) years from the Effective Date. Buyer will furnish Seller, in advance for its approval, with samples of proposed documents containing any of the foregoing descriptions, which approval shall not be unreasonably withheld.

(d) Seller agrees that it shall not, either directly or indirectly, carry on or engage in the business being sold by it to Buyer hereunder within the United States for

a period of three (3) years from the Effective Date; provided that this Agreement shall not prohibit Seller from acquiring the assets or stock of a business having resistor operations whose sales of resistors to third parties constitute less than ten (10%) percent of total sales of the business and provided further that this shall not prohibit Seller from owning shares of another corporation listed on a national securities exchange if the total number of shares owned by Seller shall not exceed an amount equal to ten percent (10%) of the outstanding shares of all classes of stock of such other corporation. In the event Seller should acquire a company having resale resistor operations during said three year period, Seller shall use its best efforts to have such resistors distributed by Buyer. Such distribution by Buyer, if any, shall be on such terms and conditions as Seller and Buyer may mutually agree.

Section 2.4. Purchase Price. Buyer and Seller agree that the cash purchase price for the purchase of assets and assumption of liabilities contemplated hereunder is \$1,141,000.

Section 2.5. Assurances As To Certain Unassigned Property.

(a) Anything in this Agreement to the contrary notwithstanding, no properties, assets, or rights, including without limitation, any claim, contract, lease,

license, commitment, sales order, or purchase order, shall be transferred or assigned by the Seller to Buyer hereby if an attempted transfer or assignment of the same without the consent of a third party would constitute a breach thereof or in any way adversely affect the rights of Buyer thereunder if such consent is not obtained, or if an attempted transfer or assignment would be ineffective or would affect Seller's rights thereunder so that Buyer would not in fact receive the same.

(b) Seller covenants and agrees that in any such case, and to the extent permitted by law, Seller will hold the same in trust for Buyer in all respects subject to Buyer's direction and control and will assign the same to Buyer or to anyone else on demand by Buyer at any time after the Effective Date if Buyer in Buyer's discretion deems the same advisable. Seller will, for as long as shall be reasonable under the circumstances, execute and deliver any and all instruments and take any and all reasonable action Buyer deems desirable to make any unassignable property assignable.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer that:

Section 3.1. Organization, Etc. Seller is a corporation duly organized, validly existing and in good standing under the laws of Delaware, has all requisite power and authority to conduct the business of the Resistor Operations as such business is now being conducted and to execute, deliver and perform this Agreement and consummate the transactions contemplated hereby and Seller is qualified to transact business in all jurisdictions in which Seller conducts the Resistor Operations.

Section 3.2. Authorization of Agreement, Enforceability. This Agreement has been duly and validly authorized, executed and delivered by Seller, constitutes a valid and binding obligation of Seller and is enforceable against Seller in accordance with its terms.

Section 3.3. Effect of Agreement, Etc. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not, after the giving of such notices or the obtaining of such consents as are appropriate or required, (i) violate any material provision of any law, statute, rule or regulation to which Seller is subject, including, but not limited to, the foreign investment laws of the United States or any state to whose laws Seller is subject; (ii) violate any judgment, order, writ, injunction or decree of any court applicable to Seller; (iii) result in the

breach of or conflict with any material term, covenant, condition or provision of any agreement, or (iv) require the material modification or termination of, constitute a default under, or result in the creation or imposition of any material lien, pledge, mortgage, claim, charge or encumbrance upon any of the Assets, except as provided for in this Agreement and except further to the extent that certain agreements and permits of the Resistor Operations may require the prior consent of third parties.

Section 3.4. Government and Other Consents. No consent, authorization, license, permit, registration or approval of or exemption or other action by any governmental or public body or authority is required in connection with Seller's execution, delivery or performance of this Agreement which if not obtained would detract from the value of, or interfere with the use of the Assets, or otherwise impair the business of the Resistor Operations.

Section 3.5. Financial Statement. The net book value of the Resistor Operations, as at March 31, 1980, shall be \$1,141,000 and no changes, except in the ordinary course of business since January 31, 1980, shall have been made with respect to Accounts Receivable and Inventory and their reserves, as set forth in the Financial Statement. Seller and Buyer shall prepare a calculation of the net book value of the

Resistor Operations as at March 31, 1980, and shall include therein those assets, liabilities and accruals of the Resistor Operations which would normally be reflected in a balance sheet prepared on a basis consistent with the Financial Statement. A post closing adjustment between the parties shall be made promptly after March 31, 1980 with Seller remitting to Buyer the amount by which the net book value of the Resistor Operations at March 31, 1980 shall be less than \$1,141,000, or Buyer remitting to Seller the amount by which the net book value of the Resistor Operations at March 31, 1980 shall exceed \$1,141,000. Those liabilities of the Resistor Operations of which Seller is aware on or prior to March 31, 1980 and which should be disclosed in a balance sheet of the Resistor Operations as at March 31, 1980 shall be included in the calculation of the net book value of the Resistor Operations as at that date.

Section 3.6. Taxes. All tax returns (federal, state, local and other) required to be filed by Seller in respect of the Resistor Operations (whether separately or jointly with other businesses of Seller) have been filed or extensions granted and all taxes due and payable thereon and all taxes due and payable on or before the date of this Agreement, have been paid or accrued for.

Section 3.7. Title to Assets. The Assets described in

Exhibit A hereto constitute all of the assets, contracts and property of Seller pertaining to the Resistor Operations, whether real or personal, tangible or intangible and Seller has good and marketable title or rights therein to all of the Assets, free and clear of all liens and encumbrances except for the liens and encumbrances set forth in the books and records of the Resistor Operations.

Section 3.8. Contracts. Exhibit A sets forth all material contracts and agreements of the Seller and there is no other material lease, contract, commitment, arrangement or understanding of any kind incurred by Seller in connection with the operation of the Resistor Operations nor does Seller have outstanding any guaranty in favor of a third party in connection with the Resistor Operations, except as set forth on Exhibit A.

Section 3.9. Employees. Exhibit D hereto is a list of all of the employees of Seller employed in the Resistor Operations on the Effective Date and accurately describes their salaries and identifies the employment agreements, collective bargaining agreements and all employee benefit plans in effect with respect to them on the Effective Date. No employees of Seller are employed in the Resistor Operations other than in the United States.

Section 3.10. Litigation. No claim, action, suit,

investigation or other proceeding to which Seller is a party or which involves any property of Seller is pending or to Seller's knowledge is threatened before or by any court, administrative or regulatory body, or other governmental agency, which could result in any judgment, order, decree or other determination which could have a material adverse effect on the condition, business or prospects of the business of the Resistor Operations or the Assets, which may materially and adversely affect the properties, assets or future earning power of the business of the Resistor Operations or the Assets, or which could prevent or materially impede performance of this Agreement.

Section 3.11. Accuracy of Financial Records and Accounts.

The books, records and accounts of Seller with respect to the Resistor Operations delivered to Buyer hereunder, fairly present in all material respects the nature, extent and/or purpose of the assets, liabilities, receipts, disbursements and transactions recorded therein as of the Effective Date.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller that:

Section 4.1. Organization, Etc. Buyer is a corporation, duly organized, validly existing and in good standing under the

laws of the Commonwealth of Pennsylvania, and has all requisite power and authority to execute, deliver and perform this Agreement and consummate the transactions contemplated hereby.

Section 4.2. Authorization of Agreement, Enforceability.

This Agreement has been duly and validly authorized, executed and delivered by Buyer, constitutes a valid and binding obligation of Buyer and is enforceable against Buyer in accordance with its terms.

Section 4.3. Effect of Agreement, Etc. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not, (i) violate any provision of any judicial or administrative order, award, judgment or decree applicable to Buyer, (ii) conflict with any of the provisions of the Articles of Incorporation of Buyer, or (iii) conflict with, result in a breach of, or constitute default under, any indenture, agreement or instrument to which Buyer is a party or by which it is bound.

ARTICLE V

SIMULTANEOUS CONDITIONS TO THIS AGREEMENT

Section 5.1. Conditions to Buyer's Obligations. Simultaneously, with the execution of this Agreement, Seller has

delivered and Buyer acknowledges receipt of:

(a) Bills of Sale. A bill or bill of sale for all of the assets constituting personal property of the Resistor Operations.

(b) Other Instruments of Conveyance. Such other instruments of conveyance and transfer as shall be effective to vest in Buyer title to or, as applicable, rights in the Assets to be sold, conveyed, transferred and delivered hereunder, including without limitation, vehicle registration certificates, instruments for recordation of assignments and other similar instruments which evidence the transfer of title.

(c) Other Instruments of Assignment. An instrument or instruments of assignment with consents affixed as necessary as shall be effective to vest in Buyer the right to exercise and enjoy Seller's privileges and responsibilities under all contracts, agreements, government licenses and choses in action transferred and assigned hereby.

(d) Contracts and Commitments. All of Seller's contracts and commitments and other data relating to the Resistor Operations. (See Article VI for books and records.)

(e) Opinion of Counsel of Seller. An opinion from the counsel of Seller, dated as of the Effective Date, confirming the representations made in Sections 3.1, 3.2

and 3.3 and that the instruments of transfer delivered by Seller to Buyer hereunder are sufficient to convey to Buyer all of the Assets.

(f) Third Party Consents. Any third party consents necessary to effect the transfer of the Assets shall have been delivered to Buyer; provided, however, that such third party consents that were not able to be obtained shall be governed by Section 2.5.

(g) Corporate Authority. A certificate of the Assistant Vice President of the Seller, attested to by a Secretary or Assistant Secretary of the Seller, certifying that the sale of assets as contemplated hereunder and this Agreement have been duly authorized by the Seller.

(h) Sale of Other Assets. A certificate of the Assistant Vice President of the Seller, attested to by a Secretary or Assistant Secretary of the Seller, certifying that prior to, or simultaneously with, the payment by Buyer hereunder, the Seller has sold, and received payment, or notes evidencing deferred payment, for the sale of substantially all of the assets of Seller's Airco Speer Electronics Division, including, without limitation, the electronic components business of the wholly owned subsidiary of Seller referred to as Airco Singapore Pte., Ltd. which operated within such division.

Section 5.2. Conditions to Seller's Obligations. Simultaneously with the execution of this Agreement, Buyer has

delivered, and Seller acknowledges receipt of:

(a) Opinion of Counsel of Buyer. An opinion from the counsel of Buyer, Richards & O'Neil, dated as of the Effective Date, and satisfactory in form, scope and substance to counsel for Seller, confirming the representations and warranties of Buyer contained in Article 4.

(b) Letters of Credit. A certificate of an officer of Koa Denko Co., Ltd. that Buyer has instructed Buyer's bank or banks to terminate or cancel certain irrevocable letters of credit issued by Seller with respect to the Resistor Operations in favor of Koa Denko Co., Ltd.

(c) Security Agreement. The Security Agreement, a copy of which is attached hereto and made a part hereof and marked as Exhibit E, in which a lien is granted in favor of Seller in the Accounts Receivable and Inventory of Buyer, which lien shall be subordinated to the security interest in such assets of the Bank of Tokyo and Tokai Bank.

(d) Assumption Agreement. The assumption agreement in the form of Exhibit F attached hereto and made a part hereof.

ARTICLE VI

COVENANTS OF SELLER

Seller covenants to Buyer that:

Section 6.1.

(a) Books and Records Located in Bradford, Pa.

Seller shall retain title to all books, records and other documents pertaining to the Resistor Operations; provided, however, that Buyer may retain possession of such books, records and other documents as are now located in Bradford, Pennsylvania, so long as Buyer shall allow Seller, any buyer of Seller's former coil business or any buyer of the electronic components business of Airco Singapore, reasonable access to and the right to make extracts from, or copies of, any or all such books, records and other documents, as such parties may from time to time request.

(b) Books and Records Not Located in Bradford, Pa.

Buyer and Seller acknowledge that certain records pertaining to the Resistor Operations are in the possession of Seller and may be located at places other than Bradford, Pennsylvania, such as Seller's headquarters in Montvale, New Jersey and its Murray Hill, New Jersey location. To the extent that Buyer shall, from time to time, require access to such records as are in Seller's possession, Seller shall allow Buyer reasonable access to and the right to make extracts from, or copies of, any or all such records, as pertain to the Resistor Operations.

(c) Notice of Destruction of Books and Records.

Buyer and Seller each agree to give the other party hereto at least ninety (90) days advance written notice of any

intention to destroy or discard any of the books, records or other documents referred to in this Section other than pursuant to current written policies of Seller concerning retention and destruction of such books, records and documents.

Section 6.2. Accounts Receivable. In the event Buyer, after exerting its best efforts, shall not have collected the total amount of account receivables, less any reserve for doubtful accounts allocable to such receivables, as reflected in the Resistor Operations calculation of net book value at March 31, 1980, and any credit balances included in such receivables, within six (6) months from the Effective Date, then Seller shall repurchase such uncollected receivables for the gross amount thereof reduced by the full amount of such reserve and such credit balances, provided Buyer shall reassign such receivables to Seller by the end of the seventh month from the Effective Date. Buyer agrees to credit monies received from account debtors against the account receivables in existence as of March 31, 1980 prior to crediting any amounts against future receivables from the same debtors.

ARTICLE VII

EMPLOYEE BENEFITS

Section 7.1. Continued Employment of Seller's Employees.

Buyer agrees to offer employment to all persons employed on the Effective Date by Seller in connection with the Resistor Operations; provided such persons are reasonably required to maintain the business of the Resistor Operations after the Effective Date. Except as expressly provided in Section 7.5 hereof, Buyer reserves the right to offer employment to such persons on terms and conditions established solely by Buyer without regard to whether such terms and conditions are different from those imposed by Seller upon its employees prior to the Effective Date.

Section 7.2. Employee Benefits. With respect to those employees who are employed by Seller on the Effective Date in connection with its Resistor Operations, all wages and other forms of compensation, including but not limited to, contributions for sick leave, vacations, insurance and other employee benefits, whether covered by a labor agreement or not, accrued or vested prior to the Effective Date, shall become the responsibility and obligation of Buyer; however, Seller shall be responsible for the payment of all pension and retirement benefits accrued and vested or becoming vested in accordance with Section 7.4 hereof under pension and retirement income plans of Seller in effect on the Effective Date and based upon Credited Service or Average Earnings with Seller and the Social Security laws in effect on the Effective Date.

Section 7.3. Credit Under Buyer's Benefit Plans for Service With Seller. Salaried employees of the Resistor Operations who become employed by Buyer as of the Effective Date shall be eligible to participate in all of the group benefit plans and programs generally available to Buyer's salaried employees in accordance with the terms of each such plan or program. Prior continuous service with Seller will be recognized for purposes of establishing eligibility to participate in such plans and programs for purposes of determining qualification to receive benefits and determine vesting rights under any of Buyer's retirement income plans which Buyer may establish; provided, however, that such continuous service will not be treated as credited service for purposes of calculating the amount of benefits under any retirement income plan or other pension plan which Buyer may hereafter adopt. Continuous service with Seller will be credited as service with Buyer for the purpose of determining benefits under Buyer's vacation, sick leave and termination policies.

Section 7.4 Credit Under Seller's Benefit Plans for Service with Buyer. Seller agrees that for those employees of the Resistor Operations who continue to work for Buyer after the Effective Date, Seller will recognize years of service with Seller and Buyer, or its successors, for purposes of determining when such employees become vested in the pension

benefits accrued in accordance with the terms and requirements of Seller's pension plans as they exist on the Effective Date. The vesting of said accrued benefits shall be contingent on the employee's accumulation of the required years of continuous service for Seller and Buyer, and Buyer's successors. However, years of service with Buyer and its successors will not be treated as Credited Service for purposes of calculating the amount of benefits under Seller's pension plans.

Section 7.5 Termination Benefits. Buyer agrees to pay termination benefits to all salaried employees of the Resistor Operations in the United States on the Effective Date, whose employment is terminated on or after the Effective Date, in accordance with Seller's policy concerning benefits, which is attached hereto and made a part hereof as Exhibit G. Buyer will recognize years of service with Seller and Buyer (or its successors) for the purpose of determining a terminated employee's years of service which will be used to calculate termination benefits payable to such employees in accordance with Seller's policy.

Section 7.6. Information to be Provided by Buyer. Buyer agrees to provide to Seller at monthly intervals the dates of termination of employment of any persons leaving the employ of Buyer who were employed by Seller in the Resistor Operations and all other data at Buyer's disposal necessary to permit

Seller to calculate the above-mentioned benefits.

ARTICLE VIII
MISCELLANEOUS

Section 8.1. Indemnification. Each of the parties hereto shall indemnify, defend and hold harmless the other against and in respect of any and all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries and deficiencies, including interest, penalties, and reasonable attorneys' fees that it shall incur or suffer, which arise, result from, or relate to any breach of, or failure by the other to perform, any of its representations, warranties, covenants or agreements herein or in any Exhibit hereto. Each party shall give the other prompt notice of any matter for which indemnity will be claimed hereunder and the indemnitor shall have the right to control the defense of any litigation relating to such matter and to approve the settlement thereof. Notices of any matters for which indemnity may be claimed against Seller pursuant to this Section shall be made no later than the last day of the eighteenth (18th) month from the Effective Date. Buyer shall not be entitled to indemnity hereunder until such time as the aggregate claims made by Buyer hereunder exceed \$75,000 and then only to the amount in excess thereof.

Section 8.2. Sales and Use Taxes. Any and all sales and/or use taxes becoming due because of the purchase and sale contemplated by this Agreement shall be borne equally by Buyer and Seller.

Section 8.3. Commissions and Finder's Fees; Expenses. Buyer and Seller represent and warrant to each other that the negotiations relative to this Agreement and the transactions contemplated hereby have been carried on by Buyer and Seller, respectively, in such manner as not to give rise to any valid claims against any of the parties hereto for brokerage, commission, finder's fee or other like payment; provided, that Seller has agreed to pay Lester Rice, an employee of Seller, a fee for his services as a broker, in accordance with the understanding between Seller and Mr. Rice; Seller shall be solely responsible for such payment to Mr. Rice. All expenses incurred by Buyer and Seller in respect of this Agreement and the transactions contemplated hereby shall be borne respectively by the party incurring such expenses.

Section 8.4. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered or mailed, registered mail postage prepaid, addressed to the party for whom they are intended at the following address:

If to Seller: Airco, Inc.
 85 Chestnut Ridge Road
 Montvale, New Jersey 07645

 Attn: A. N. Tarallo, Esq.

If to Buyer: Koa Speer Electronics, Inc.
 Boliver Drive
 Bradford, Pennsylvania 16701

 Attn: Mr. Miyata

With Copy to: Michael Braun, Esq.
 Richards & O'Neil
 645 Madison Avenue
 New York, New York

Such names and addresses may be changed by written notice in accordance with this Section 8.4.

Section 8.5. Headings. The Table of Contents, Article, Section and other headings herein contained are for convenience only and shall not be construed as part of this Agreement.

Section 8.6. Counterparts. This Agreement may be executed in any number of counterparts, and the execution thereof by one or both parties may appear upon separate signature pages, and each counterpart shall constitute an original instrument, but all such separate counterparts shall constitute only one and the same instrument.

Section 8.7. Entire Agreement. This Agreement with the

Exhibits hereto constitutes the entire agreement among the parties hereto and supersedes all prior agreements, understandings, and arrangements, oral or written, among the parties hereto with respect to the subject matter hereof and of the Exhibits hereto. Except as provided in this Agreement, Seller makes no representation or warranty whatsoever to Buyer.

Section 8.8. Amendments and Waivers. This Agreement may not be modified except by an instrument or instruments in writing signed by an authorized officer of each party. Either party may, by an instrument in writing, waive compliance by the other party with any term or provision of this Agreement to be performed or complied with by such other party hereto. The waiver by any party hereto of a breach of any term or provisions of this Agreement shall not be construed as a waiver of any subsequent breach.

Section 8.9. Assignment. Neither party hereto, without the written consent of the other, may assign or transfer its rights or obligations hereunder to any other company or person. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 8.10. Survival of Representations and Warranties. The representations, warranties and covenants of Buyer under

Article IV shall survive the Closing. The representations, warranties and covenants of Seller made in Article III hereof shall survive the Closing for an eighteenth (18th) month period commencing with the Effective Date.

Section 8.11. Severability. The parties expressly agree that it is not the intention of either party to violate any public policy, statutory or common laws, rules, regulations, treaties or decisions of government or agency thereof of any country. If any Article, Section, paragraph, sentence, clause, word or combination thereof of this Agreement is judicially or administratively interpreted or construed as being in violation of any such provisions in any country, such Article, Section, paragraph, sentence, word, clause or combination thereof shall be inoperative in each such country and the remainder of this Agreement shall remain binding upon the parties hereto in such country with the Agreement as a whole unaffected elsewhere.

Section 8.12. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

Section 8.13. Form of Documents. All instruments and documents delivered by either party pursuant to the provisions of this Agreement or incident to the transactions contemplated hereby shall be satisfactory to the counsel of the party to

whom delivered as to form, scope, substance and execution.

Section 8.14. Bulk Sales Law. If the Bulk Sales Law of any jurisdiction applicable to the transactions contemplated by this Agreement so require, the party so charged by such law shall give the notice required thereby and shall take all other steps necessary to comply fully therewith. The other party hereto shall assist such complying party in whatever manner is necessary so to comply.

Section 8.15 Publicity. All publicity concerning the transactions contemplated by this Agreement shall be planned and coordinated between Seller and Buyer.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

ATTEST:

By

James F. Mawn

ATTEST:

By

[Signature]

AIRCO, INC.

By

Angelo M. Tarsale

KOA SPEER ELECTRONICS, INC.

By

[Signature]

LIST OF EXHIBITS

<u>DESCRIPTION</u>	<u>SECTION REFERENCE</u>
Exhibit A - Assets	Section 1.1(a)
Exhibit B - Balance Sheet	Section 1.1(b)
Exhibit C - Certain Payables	Section 2.2(a)
Exhibit D - List of Employees, Etc.	Section 3.9
Exhibit E - Security Agreement	Section 5.2(c)
Exhibit F - Instrument of Assumption	Section 5.2(d)
Exhibit G - Termination Policy	Section 7.5

EXHIBIT A
LIST OF ASSETS

AT
K.M

Assets being sold pursuant to the Agreement for the Purchase of Certain Assets, dated March 31, 1980 (the "Agreement") include all assets of Airco, Inc.'s Speer Electronics Division, which are associated with, used in or necessary to such division's resistor manufacturing and distribution business, as of March 31, 1980 as reflected in such division books and records (whether or not reflected in the Financial Statement), including, but not limited to, all of Airco's right, title and interest in the following:

A. All Machinery, Equipment, Furniture, Fixtures, Vehicles, and other Operating Assets (other than real property, building and building fixtures) located at the plant in Bradford, Pennsylvania, including, but not limited to the following:

1. Fork Lift and Van
2. Life Test Equipment
3. Packaging Equipment
4. Quality Control Test Equipment
5. IBM Typewriters
6. Office Desks, Chairs and Equipment and Supplies, etc.

B. All inventories, Raw Materials, Work in Progress, Semi-finished Products, Packaging Materials, and Sundry Articles necessary for the continued operation of the business as carried on prior to March 31, 1980.

C. All rights of Airco under Contracts, Permits, or Licenses to conduct the resistor business as carried on prior to March 31, 1980 and all Engineering Drawings, Customer Lists, Trademarks and Patents, Contracts including, but not limited to the following:

The material contracts, agreements, commitments and/or arrangements of the Resistor Operations consist of:

1. Representative Agreements, e.g. with ITT Industries, Inc.;
2. Distribution and/or Supply Agreements, e.g. Koa Denko, Ltd., Airco Singapore Pte. Ltd., Morganite Canada, Ltd., Koa Malocca, Vitrohm, Ohmite Manufacturing Co.
3. Technical Assistance Agreement with Airco Singapore Pte., Ltd.
4. Lease Agreements:
 - a) Real Estate Lease for 1611 East Edinger Avenue, Santa Ana, California 92705; term presently month to month;
 - b) Miscellaneous office equipment leases, e.g. Xerox copier, IBM computer;
 - c) Automobiles (2)

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~~Handwritten mark~~
K.M.

5. Maintenance Contracts, e.g. for IBM typewriters and computer maintenance; warehouse management agreement, e.g. Tevis Electronics Corporation at Santa Ana, California;

6. Revolving letters of credit, e.g. for benefit of Soliel Electronic Company of Taipei, Taiwan; Koa Denko Co., Ltd. of Tokyo, Japan (*note: to be terminated by Koa Denko Co., Ltd.);

7. Certain paid-up licenses, e.g. with Koa Denko Co. (assigned to Airco Singapore Pte., Ltd.); U.S. Army Signal Corps.; Allied Chemical.

D. All Accounts and Notes Receivable.

E. All Claims, Rights and Causes of Action relating to such division business.

F. All Other Assets, whether tangible or intangible, and whether or not calculated in the Financial Statement.

All of the assets of the Resistor Operations are collectively referred to in the Agreement as, the "Assets", provided however such term "Assets" shall not mean and shall not include the following:

(1) the real property, buildings, building fixtures, and improvements located on Bolivar Drive in Bradford, Pennsylvania;

(2) the issued and outstanding shares of Airco Singapore Pte. Ltd. ("Airco Singapore"), or any of the assets, business, or good will of Airco Singapore; and

(3) any issued and outstanding shares of Koa that may be owned by Airco.

EXHIBIT B

AIRCO SPEER ELECTRONICS
RESISTOR BALANCE SHEET
JANUARY 31, 1980

HT
K.M.

<u>Assets</u>		<u>Liabilities & Equity</u>	
Cash	\$ 20	Accounts Payable	\$ 64
Accounts Receivable	1579	Accruals	1548 (B)
Allowance for Doubtful Accounts	(135)	Total Current Liabilities	1612
Inventories	1836	Intercompany Payables	317
Allowance for Inventory Adjustments	(274)	Total Liabilities	1929
Prepays	-	Equity	1141
Current Assets	3026		
Net Fixed Assets	44 (A)		
Total Assets	<u>\$3070</u>	Total Liabilities & Equity	<u>\$3070</u>
(A) Machinery	\$ 1	(B) Distributor Returns &	
Motor Vehicles	1	Price Protection	\$ 49
Office Equipment	1	Management Incentive Plan	39
Data Processing Equipment	41	Inventory - Koa	483
	<u>\$ 44</u>	Singapore	759
		Other	8
		Freight & Duty	56
		Payroll	12
		Commissions	105
		Expatriate	31
		Operating Expense & Other	6
			<u>\$1548</u>

EXHIBIT C

AT
K.M.

<u>INVOICE #</u>	<u>DATE</u>	<u>AMOUNT</u>
MARCH		
0380-1	2/29/80	\$ 13,147.70
0380-3	3/7/80	12,214.25
0380-4	3/7/80	17,637.50
FEBRUARY		
0280-1	2/1/80	15,430.10
0280-2	2/8/80	12,487.95
0280-3	2/14/80	7,525.75
0280-4	2/25/80	24,424.00
0280-5	2/22/80	11,344.01
0280-6	2/25/80	49,144.38
0280-7	2/27/80	48,351.25
0280-8	2/25/80	4,398.90
JANUARY		
0180-1	12/28/79	9,004.40
0180-2	1/4/80	5,254.10
0180-3	1/10/80	43,000.00
0180-4	1/11/80	19,747.05
0180-5	1/17/80	14,887.95
0180-6	1/18/80	5,399.90

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JANUARY

0180-7	1/25/80	11,927.99
0180-8	1/25/80	84,283.65
0180-9	1/25/80	41,184.54

DECEMBER

1279-12	12/25/79	20,880.06
1279-11	12/21/79	14,701.45
1279-10	12/20/79	7,782.60
1279-9	12/20/79	35,116.22
1279-8	12/18/79	275.20
1279-7	12/14/79	16,635.70
1279-6	12/7/79	23,729.90
1279-5	12/7/79	113,767.90
1279-4	12/6/79	10,440.10
1279-3	12/4/79	344.08
1279-2	11/30/79	18,009.25
1279-1	11/28/79	309.60

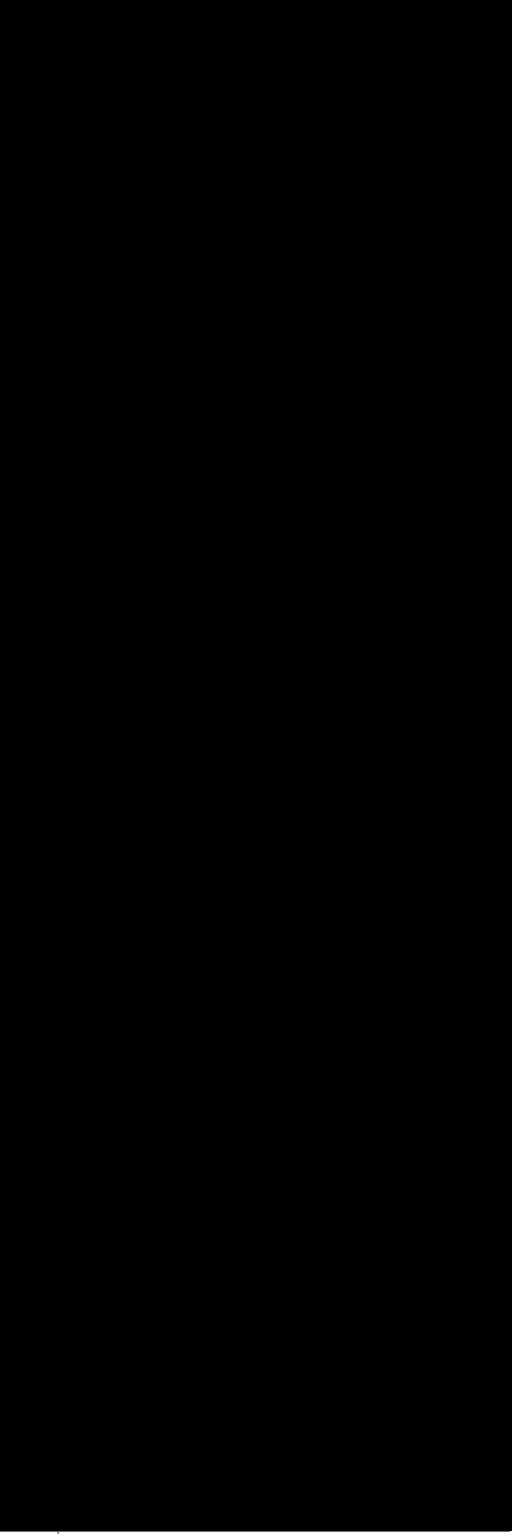
NOVEMBER

1179-11	11/25/79	77,421.60
1179-10	11/23/79	4,407.50
1179-9	11/23/79	<u>39,001.20</u>

TOTAL	\$833,617.67
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Any additional invoices of Airco Singapore to the Resistor Operations for products sold to the Resistor Operations dated between January 1, 1980 and the Effective Date. Invoices for which payment is made prior to the Effective Date shall be deleted from this Exhibit.

EXHIBIT D

K.M.
ATEMPLOYEE NAMERise
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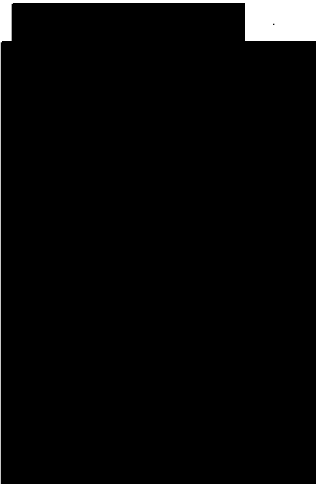
R. V. Arbuckle
S. Crance
L. Eastman
L. Ford
P. Hughes
D. Myslinski
B. Zumstein
D. Good
F. McCormack
W. D. Hauser
V. Hopkins
J. Knight
A. Vecellio
D. Kowlsen
S. Nuzzo
L. Pascale
J. Rees
R. Sherry
C. Carpenter
R. Cummins
L. Griffin
A. Lechiara
N. Vecellio
F. Allen
C. Maney
N. Warfle
D. Burdick
L. Holzwarth
M. Peck
P. Da Via
C. Heitzinger
D. Heitzinger
M. Jones
P. Morrison
J. Turner
J. Swift
O. D. Louk
I. Zickefoose
C. Visneski
V. Colella
A. De Golier
M. Distroala

42

* Effective April 1, 1980 increase to \$2696.

-2-

K.M.
AT



M. Silvis
V. Traylor
D. Torrey
M. Du Bois
S. Steen
P. Brosius
M. Glenn
M. Wright
E. Snyder
G. Whelan
D. Pascale
D. Wood

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Rack
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Hunk

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ELECTRONICS

AIRCO EMPLOYEE BENEFIT PLANS

	<u>Salaried</u>	<u>Bargaining Unit Hourly</u>	<u>Non-Bargaining Unit Hourly</u>
Matching Contribution	X	X	X
Travel Accident	X	X	X
Education Refund	X	X	X
Service Awards	X	X	X
401K - ESOP	X	No	X
Additional Death Benefit	X	No	No
Pension	X	X	X
Group Insurance (life, medical, A&S)	X	X	X
Vacation	X	X	X
Salary Continuation	X	No	No
Long Term Disability	X	No	No
Accidental Death & Dismemberment	X	No	No
Dental	X	No	No

CURRENT COLLECTIVE BARGAINING AGREEMENTS

Bradford

1. Agreement between Airco Electronics Bradford, Pa., a Division of Airco, Inc., and The International Union of Electrical, Radio & Machine Workers, Local 603, AFL-CIO-CLC - dated April 1, 1977 and due to expire March 29, 1980.*
2. Agreement between Airco Electronics Bradford, Pa., a Division of Airco, Inc., and The International Union of Electrical, Radio & Machine Workers, Local 604, AFL-CIO-CLC - dated April 1, 1977 and due to expire March 29, 1980.*

*(plus such understandings as may have been reached)

Santa Ana

No collective bargaining agreements.

EXHIBIT E

See Document No. 5

EXHIBIT F

See Document No. 8

②

ASSIGNMENT AND BILL OF SALE

○-7

AIRCO, INC. ("Airco"), a Delaware corporation, for good and valid consideration, the receipt and sufficiency of which is hereby acknowledged, hereby grants, bargains, conveys, transfers and assigns unto KOA SPEER ELECTRONICS, INC. ("KOA Speer"), a Pennsylvania corporation, its successors and assigns, all of Airco's assets and business which are reflected on the books and records of Airco's Speer Electronics Division (the "Division") as of the date hereof and which are associated with, used in or necessary to the Division's domestic resistor manufacturing and distribution business, including, but not limited to, all of Airco's right, title and interest in the following:

- (1) all the assets, properties, goodwill and Business of Airco's domestic resistor manufacturing and distribution business ("Resistor Operations"), whether tangible or intangible, existing as of the date hereto and described in Exhibit A attached hereto;
- (2) all the inventories, raw materials, work in process with respect to the Resistor Operations; and
- (3) subject to the consent of any third party thereto, all of Airco's interest as of March 31, 1980 in all contracts, understandings and agreements relating to the Resistor Operations, including all agreements with dealers providing for the resale of products sold by the Resistor Operations and the presently existing

Collective Bargaining Agreement and other agreements between Airco and the International Union of Electrical, Radio and Machine Workers, AFL-CIO-CLC, on behalf of Local Nos. 603 and 604.

provided, however, that such assets shall not include those assets of the Division which are not being sold to KOA Speer and are described as such in Exhibit A hereto.

The foregoing assets sold, conveyed, transferred and assigned by Airco to KOA Speer are hereinafter collectively referred to as the "Purchased Assets."

TO HAVE AND TO HOLD the Purchased Assets unto KOA Speer its successors and assigns to and for its own and proper use thereof, forever.

This instrument is executed by and shall be binding upon Airco, its successors and assigns, for the uses and purposes above set forth.

IN WITNESS WHEREOF, Airco has caused this Assignment and Bill of Sale to be executed and delivered on the 31st day of March, 1980.

ATTEST

AIRCO, INC.

James F. Mann

Angelo T. Tull